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Austria

Oilseeds and Products

Annual

2000

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Report Highlights:
Due to low prices, 2000 rapeseed area will decline. The soybean area is expected to remain the same or decrease slightly. The 1998/99 soybean meal imports increased 7% compared to 1997/98. In 1999/00, soybean meal imports are expected to decline slightly.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Vienna[AU1], AU

Executive Summary

The 1999 rapeseed area increased significantly compared to 1998. Due to low prices, 2000 area will decline. The soybean area is expected to remain the same or decrease slightly. Average yields of all oilseed types increased in 1999 which together with the area rise caused a considerable output increase. So far, conditions for excellent rapeseed yields are indicated. There is strong demand for non-genetically modified (GM) soybeans by food processors and organic livestock producers. The 1998/99 soybean meal imports increased 7% compared to 1997/98. In 1999/00, soybean meal imports are expected to decline slightly. End summary.

Production

Area

Given low grain and high oilseed prices in 1998, rapeseed area expanded considerablyin 1999 (+20%).

Much to the dismay of agricultural interests, 2000 rapeseed area will probably decline by about 15%. This assumption is based on seed sales reported to Agricultural Market Austria (AMA), and the fact that rapeseed prices have been very low with no expectation of distinct improvement in 2000.

Soybeans are mainly produced under contract since there is considerable demand for non-GM beans by food processors and organic livestock producers. The latter are not permitted to use GM-beans. Usually the contracts are made between farmers and warehouses and warehouses and processors.

Due to unfavorable weather conditions, a large share of 1998 beans was of unsatisfactory quality which resulted in lower prices from the food industry. Thus, 1999 bean area declined 7.5%. In 2000, the area is expected to be unchanged or to decrease slightly.

Yields

The 1999 rapeseed harvest was very satisfactory. Volume was higher and quality better than in recent years. Given sufficient rains in the planting period August/September 1998, plants could develop well. As winter was relatively mild, no winter kill occurred. Cool and dry weather during the flowering period (beginning of May) and sufficient soil moisture contributed favorably to yields. Hot days at the end of June/beginning of July caused a quick ripening in eastern regions. In these areas, harvesting was carried out fast. Thus, the heavy rains in mid- July did not disturb rapeseed harvesting. The following hot days at the end of July/beginning of August allowed for good harvesting conditions in late ripening areas. Average yields of winter rapeseeds rose by 20% and of summer rapeseed by 8%.

Winter rapeseed planted in summer 1999 developed well due to sufficient precipitation. Despite freezing temperatures during a short period in January 2000, no winter kill occurred. In February, snow cover protected winter crops. In mid-March, winter rape like winter grains is standing very well.

In 1999 soybean growth was also very satisfactory. In particular rains in July and August contributed to yields, which were unusually high (2.7 MT/ha, up 7.9% from 1998). The excellent bean quality was appreciated by the food industry.

At present, soil conditions are excellent and it is expected that at the beginning of May, the planting period of soybeans, conditions will be good.

Consumption

Rapeseed and sunflowerseed are crushed in domestic plants but there are no soybean crushing facilities. Soybeans intended for feed are extruded or hydrothermally processed and the product is used as fullfat oilmeal. There are no intentions to construct a soybean crushing plant.

Probably more than half of domestic soybean production is used for food and food additives for organic products which may not contain GMOs. There are two larger mills (Company Strobl close to Linz and company Bamberger in Printersdorf) and two smaller mills which produce soybean meal from non-GM beans.

As the larger food chains banned non-GM products from their shelves, many food processors substituted soybean protein with wheat gluten.

In 1998/99, soybean meal consumption rose 8% from an already high level. The reason for this distinct increase was the large poultry and hog production and probably some replacement of rapeseed meal. In 1999/2000, soybean meal consumption will probably drop slightly because of the expected larger availability of rapeseed meal, anticipated drop in hog numbers, and stronger dollar.

Trade

Trade in soybeans and rapeseeds has been small. As in recent years, the 1998/99 soybean imports came mainly from

other EU countries, particularly Germany. The bulk of rapeseed came from eastern central European countries.

Rapeseed meal imports are insignificant. However, each year, large quantities of soybean meal are required. In 1998/99, around 510,000 MT were imported which is 4% above the 1997/98 volume. The predominant share came from soybean crushing facilities in Germany and Netherlands. Relatively large quantities came from Brazil while it is estimated by the trade that nearly two thirds of the beans crushed in Germany and the Netherlands are of U.S. origin. In 1999/00 about the same import volume is expected. However, 1999/2000 imports should decline slightly because of the expected smaller requirement. As in previous years, direct imports of soybean meal from the U.S. should be marginal.

Imports of non-genetically modified beans have been small. As the importer is liable if some volumes of meal of GM beans are included, importers are reluctant to buy large quantities. There is great demand for non-GM soybean meal in Austria.

Promotions

In 1999, the American Soybean Association (ASA) placed confidence building advertisements in some major farm journals featuring the safety of GM soybeans and soybean meal. To educate feed compounders about gene technology, a seminar was carried out in cooperation with the feed compounder association and economic chamber. In addition, key contacts of consumer groups and retailers received first-hand information from the U.S.

To keep Austrian consumption of U.S. soybean meal on a high level, ASA will maintain contacts with feed industry, trade, and agricultural interests in 2000.

Policy

The reduction of area premiums in the framework of Agenda 2000 is expected to accelerate the concentration process of farms but will probably not cause a significant drop in arable land. The fact that premiums for oilseeds will be at the same level as grains beginning in 2002 may result in a decrease in oilseed area. Most Austrian farmers regard grain production, particularly wheat production, more profitable than oilseed production. However, the Austrian program for ecological agriculture (APEA), in which 95% of all farmers participate, requires that the grain share not exceeds 75% of total arable land. To comply with APEA's rotation requirement, no significant drop in oilseed production can take place unless fallow area is increased. This could happen over the long term.

Bio-Fuel

In January 1999, the government decided that a law requiring the inclusion of 2% rape methyl ester (RME) to diesel will be implemented. If the RME-diesel price is not to be increased, the federal budget would have to provide subsidies of AS 100 million. In Fall 1999, part of the government did not agree to implement the previously intended regulation because of the high costs. It is expected that under the new, agriculture-friendly government, the proposed law will be

implemented.

Tables

PSD Table						
Country	Austria					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	55	55	60	66	0	56
Area Harvested	55	55	60	66	0	56
Beginning Stocks	0	0	0	0	0	0
Production	128	128	138	194	0	140
MY Imports	53	37	40	25	0	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	4	3	2	3	0	4
TOTAL SUPPLY	181	165	178	219	0	170
MY Exports	11	11	10	44	0	5
MY Exp. to the EC	4	11	5	41	0	5
Crush Dom. Consumption	170	154	168	175	0	165
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	170	154	168	175	0	165
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	181	165	178	219	0	170
Calendar Year Imports	40	37	40	25	0	30
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	8	11	10	44	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Meal, Rapeseed				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	170	154	168	175	0	165
Extr. Rate, 999.9999	0.558824	0.558442	0.559524	0.56	ERR	0.557576
Beginning Stocks	0	0	0	0	0	0
Production	95	86	94	98	0	92
MY Imports	8	8	11	7	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	2	2	2	2	0	2
TOTAL SUPPLY	103	94	105	105	0	102
MY Exports	51	43	35	40	0	41
MY Exp. to the EC	23	41	25	35	0	35
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	52	51	70	65	0	61
TOTAL Dom. Consumption	52	51	70	65	0	61
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	103	94	105	105	0	102
Calendar Year Imports	10	8	10	7	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	48	43	35	40	0	41
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Oil, Rapeseed				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	170	154	168	175	0	165
Extr. Rate, 999.9999	0.394118	0.422078	0.39881	0.388571	ERR	0.381818
Beginning Stocks	7	4	3	4	4	4
Production	67	65	67	68	0	63
MY Imports	28	29	28	26	0	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	25	29	25	24	0	25
TOTAL SUPPLY	102	98	98	98	4	97
MY Exports	18	17	12	11	0	10
MY Exp. to the EC	2	2	1	2	0	1
Industrial Dom. Consum	24	27	24	28	0	25
Food Use Dom. Consump.	57	50	58	55	0	58
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	81	77	82	83	0	83
Ending Stocks	3	4	4	4	0	4
TOTAL DISTRIBUTION	102	98	98	98	0	97
Calendar Year Imports	28	29	28	26	0	30
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	18	17	12	11	0	10
Calndr Yr Exp. to U.S.	0	6	0	7	0	0

PSD Table						
Country	Austria					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	20	20	20	19	0	19
Area Harvested	20	20	20	19	0	19
Beginning Stocks	0	0	0	0	0	0
Production	50	50	50	50	0	48
MY Imports	20	13	20	10	0	11
MY Imp. from U.S.	2	0	1	0	0	1
MY Imp. from the EC	6	11	9	8	0	10
TOTAL SUPPLY	70	63	70	60	0	59
MY Exports	11	14	12	15	0	13
MY Exp. to the EC	10	9	10	10	0	8
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	20	18	20	18	0	20
Feed,Seed,Waste Dm.Cn.	39	31	38	27	0	26
TOTAL Dom. Consumption	59	49	58	45	0	46
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	70	63	70	60	0	59
Calendar Year Imports	12	13	13	10	0	11
Calendar Yr Imp. U.S.	4	0	6	0	0	1
Calendar Year Exports	15	14	15	15	0	13
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	35	35	35	35	35	35
Production	0	0	0	0	0	0
MY Imports	545	510	525	485	0	490
MY Imp. from U.S.	1	1	3	1	0	1
MY Imp. from the EC	437	475	440	450	0	450
TOTAL SUPPLY	580	545	560	520	35	525
MY Exports	3	2	3	3	0	2
MY Exp. to the EC	3	2	4	3	0	2
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	542	508	522	482	0	488
TOTAL Dom. Consumption	542	508	522	482	0	488
Ending Stocks	35	35	35	35	0	35
TOTAL DISTRIBUTION	580	545	560	520	0	525
Calendar Year Imports	525	510	500	485	0	490
Calendar Yr Imp. U.S.	3	1	5	1	0	1
Calendar Year Exports	5	2	4	3	0	2
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Austria					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	4	4	4	4	4	4
Production	0	0	0	0	0	0
MY Imports	15	13	16	15	0	14
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	15	11	16	15	0	14
TOTAL SUPPLY	19	17	20	19	4	18
MY Exports	2	1	1	1	0	1
MY Exp. to the EC	0	1	0	0	0	0
Industrial Dom. Consum	1	1	1	1	0	0
Food Use Dom. Consump.	12	11	14	13	0	13
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	13	12	15	14	0	13
Ending Stocks	4	4	4	4	0	4
TOTAL DISTRIBUTION	19	17	20	19	0	18
Calendar Year Imports	16	13	16	15	0	14
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	2	1	1	1	0	1
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	Austria		
Commodity	Meal, Soybean		
Time period	10/97-9/98	Units:	10/98-9/99
Imports for:	1997	MT	1998
U.S.	1700	U.S.	1000
Others		Others	
Germany	308100	Germany	234600
Netherlands	133000	Netherlands	201800
Brazil	24100	Italy	34700
Italy	4500	Argentina	29000
Argentina	4000	Brazil	4800
Belgium	1300	Belgium	800
Total for Others	475000		505700
Others not Listed			3700
Grand Total	476700		510400